Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 01-2050

Released: August 30, 2001

COMMISSION SEEKS COMMENT ON JOINT APPLICATION FOR CONSENT TO TRANSFER CONTROL OF AMERICATEL CORPORATION

PLEADING CYCLE ESTABLISHED

CC Docket No. 01-195

On August 17, 2001, Bell S.A. (Bell) and Pirelli S.p.A. (Pirelli) (collectively, Applicants) filed a joint application pursuant to section 214 of the Communications Act of 1934, as amended (the Act), 47 U.S.C. § 214, requesting Commission approval for the transfer of control of Americatel Corporation (Americatel) from Bell to Pirelli. Americatel is authorized to provide domestic interstate services pursuant to blanket section 214 authority. The proposed acquisition of lines is related to an acquisition of corporate control. Under the terms of the proposed transaction, Pirelli will acquire an indirect interest in Olivetti S.p.A. (Olivetti), which controls Telecom Italia S.p.A. (Telecom Italia) and Telecom Italia's operating subsidiaries, including Americatel.

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See Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, for the Potential Transfer of Control of Americatel Corporation from Bell S.A. to Pirelli S.p.A. (filed Aug. 17, 2001) (Domestic Application). Concurrent with this application, Applicants also filed several other transfers of control applications with respect to the Commission licenses of Americatel and Americatel's affiliates in connection with this transaction. Specifically, Applicants filed applications for transfers of control of Americatel's international section 214 authorization and submarine cable landing license; AmericaSky Corporation's international section 214 authorization and earth station licenses (including a separately filed petition for declaratory ruling under section 310(b)(4) of the Act that it is in the public interest to permit certain indirect foreign ownership of the earth station licenses); Telemedia International U.S.A., Inc.'s international section 214 authorization; Telecom Italia of North America, Inc.'s international section 214 authorization; and Latin American Nautilus U.S.A. Inc.'s international section 214 authorization. See Domestic Application at n.2. AmericaSky Corporation's petition for declaratory ruling under section 310(b)(4) of the Act and the application for authority to transfer control of Americatel's submarine cable landing license were placed on Public Notice on August 29, 2001. See Non Streamlined International Applications Accepted for Filing, Report No. TEL-00436NS (rel. Aug. 29, 2001)

Bell is a company incorporated under the laws of Luxembourg. Bell currently holds a controlling 21.31 percent ownership interest in Olivetti, which in turn owns a 54.94 percent ownership interest in Telecom Italia. Telecom Italia holds a 100 percent ownership interest in STET International Netherlands N.V., which holds a 54.76 percent ownership interest in Empresa Nacional de Telecommunications S.A. (ENTEL-Chile). ENTEL-Chile owns a 100 percent ownership interest in ENTEL International B.V.I. Corporation, which in turn, holds an 80 percent ownership interest in Americatel.

Americatel provides international and domestic long distance services, including casual calling (*i.e.*, dial around) service, prepaid calling card service, and Internet services. Americatel is authorized to provide U.S. international service pursuant to its section 214 authorizations. In addition, Americatel provides domestic interexchange service pursuant to its blanket section 214 authority and provides domestic intrastate service pursuant to its various state authorizations. Although Pirelli, through its subsidiaries and affiliates, is a manufacturer of fiber optic cables, Pirelli is not a provider of telecommunications services and does not own or control any providers of telecommunications services. According to the Applicants, the purpose of Pirelli's proposed acquisition of an indirect interest in Olivetti is to refocus Pirelli's strategy on telecommunications services.³

The Applicants assert that the proposed transaction will serve the public interest and will result in a company better equipped to accelerate its growth as a competitive telecommunications service provider. The Applicants further state that the proposed transaction will allow Americatel to manage its telecommunications operations more efficiently, thereby permitting greater investment in facilities, customer service, and technological innovation. In addition, the Applicants contend that the proposed transaction will be consummated in a seamless fashion, will be transparent to customers, and will not inconvenience or cause harm to any of Americatel's customers.

SECTION 214 APPLICATION

Part 63 – Domestic Service (47 C.F.R. § 63.01)

Bell and Pirelli have filed a joint application pursuant to section 214 of the Act for the transfer of control of domestic transmission lines held by Americatel. The application has been assigned **CC Docket No. 01-195**. The Applicants seek expedited treatment of this application in order to permit the consummation of the proposed transaction. We decline to provide an abbreviated comment period of 14 days, as requested, because the Applicants have not demonstrated good cause for waiving the normal 30 day comment period specified in 47 C.F.R. § 63.52(b).

GENERAL INFORMATION

The application listed herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Interested parties may file petitions to deny within 30 days following the release of this Public

³ See Domestic Application at 4.

⁴ See Domestic Application at 2.

Notice.⁵ Final action will not be taken on this application earlier than 30 days following the date of this notice. All filings concerning any or all of the matters referenced in this Public Notice should refer to **CC Docket No. 01-195.**

An original and four copies of all pleadings must be filed with the Commission's Secretary, Magalie Roman Salas, 445 12th Street, S.W., Room TW-B204, Washington, D.C. 20554, in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51 (c). In addition, one copy of each pleading must be delivered to (1) Aaron Goldberger, Policy and Program Planning Division, Common Carrier Bureau, 445 12th Street, S.W., Room 5-A266, Washington, D.C. 20554, and (2) the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

Copies of the application and any subsequently filed documents in this matter may be obtained from Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com. The application and documents are available for public inspection and copying during normal reference room hours at the Commission's Reference Information Center, 445 12th Street, S.W., CY-A257, Washington, D.C. 20554.

For further information, contact Aaron Goldberger, Common Carrier Bureau, at (202) 418-1580.

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⁵ See 47 C.F.R. § 63.52(c).